

EXHIBIT 2

ANNUAL REPORT



سلطة الاستثمار الفلسطيني
PALESTINE INVESTMENT AUTHORITY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2009

(U.S. \$ 000'S)

		U.S. \$ 000'S	
	Notes	2009	2008
Assets			
Non-current assets			
Property, plant and equipment	5	89,155	38,103
Goodwill	6	26,483	25,582
Investment in properties	7	90,238	8,994
Projects in progress	8	23,350	14,098
Investments in associates	9	54,143	65,672
Joint ventures	10	27,562	28,980
Loans granted	11	15,134	4,739
Available-for-sale investments	12	252,289	260,284
		<u>578,354</u>	<u>446,452</u>
Current assets			
Accounts receivable and other receivables	13	20,327	18,521
Other current assets	14	39,772	6,947
Cash and deposits at banks	15	163,173	183,756
		<u>223,272</u>	<u>209,224</u>
Total assets		<u>801,626</u>	<u>655,676</u>
Equity and liabilities			
Equity			
Paid-in share capital	16	574,000	574,000
Shareholder's current account		(45,800)	(139,628)
Advances on capital increase	17	-	11,851
Statutory reserve	18	70,570	64,422
Special reserve	18	6,148	-
Proposed dividends	19	40,000	9,929
Foreign currency translation		7,737	8,414
Cumulative changes in fair value	12	44,260	64,721
Retained earnings		20,396	11,212
Total equity attributable to shareholder		<u>717,311</u>	<u>604,921</u>
Non-controlling interests		795	338
Total equity		<u>718,106</u>	<u>605,259</u>
Non-current liabilities			
Long-term finance lease obligations	20	27,430	-
		<u>27,430</u>	<u>-</u>
Current liabilities			
Accounts payable	21	15,044	16,342
Provisions and other current liabilities	22	26,464	21,896
Short term loan	23	8,255	-
Finance lease obligations maturing within one year	20	6,327	12,179
		<u>56,090</u>	<u>50,417</u>
Total liabilities		<u>83,520</u>	<u>50,417</u>
Total equity and liabilities		<u>801,626</u>	<u>655,676</u>

The attached notes 1 to 37 form part of these consolidated financial statements.